



**FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)
APPEAL DECISION**

FEMA Flood Insurance Appeal Decision #C16

OVERVIEW

The policyholder filed an appeal on July 2019 alleging his flood insurance carrier (hereinafter “insurer”) improperly denied part of his claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a flood event dated June 2019.²

In its review, FEMA found the following facts relevant:

- At the time of loss, the policyholder had \$150,000 in building coverage and \$60,000 in personal property coverage.
- Following the flood loss, the policyholder reported the loss to the insurer and the insurer assigned an adjuster to inspect the property.
- On June 2019, an adjuster inspected the property and recorded a 14-inch watermark to the exterior of the building and a three-inch watermark to the interior of the building. Floodwaters remained for four hours.
- The adjuster submitted their damage estimate to the insurer for review. In their estimate, the adjuster excluded selected building and personal property which the insurer issued payment after a May 2004 flood loss.
- Based on the adjuster’s estimate, the insurer requested the policyholder produce documentation indicating they completed the prior damage repairs and replacements before the subject flood event.
- In a letter dated June 2019, the insurer issued a denial letter for building property damages, citing no evidence of prior loss repairs.
- The policyholder appeals the denial and contends the insurer failed to produce the prior flood loss damage estimate. The policyholder states the prior flood loss damage estimate could determine what needed to be repaired. In support of their appeal, the policyholder furnished receipts from the repair and replacement of damages from the prior loss.

¹ See 44 C.F.R. § 61.13 (2018); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter “SFIP”].

² The policyholder files this appeal under 44 C.F.R. § 62.20. The appeals process is available after the insurer issues a written denial, in whole or in part, of the policyholder’s claim. The policyholder’s appeal and related documents concerning the appeal, claim, or policy are on file with FEMA, Federal Insurance and Mitigation Administration, Federal Insurance Directorate, Policyholder Services Division, Appeals Branch [hereinafter “Appeal File”].

RULE

The SFIP allows the insurer to request quantities, costs, amount of loss, written plans and specifications for repair of the damaged property, and proof prior flood damage has been repaired.³

ANALYSIS

The policyholder appeals the insurer's decision to partially deny coverage due to no evidence of repairs from a previous flood loss.

The SFIP allows the insurer to request proof prior flood damage has been repaired or replaced. The policy allows the insurer to request evidence that repairs or replacement of either building or personal property, paid for under a prior loss have been completed. To invoke this provision, the insurer must provide a copy of the adjuster's report, estimate, and file photographs from the prior loss to document the damages and payment.

As part of its investigation, FEMA requested the insurer furnish the claim file from the May 2004 flood event. The insurer advised FEMA due to the age of the claim, the corresponding file was no longer available. In the absence of the adjuster's narrative, estimate, and photographs of the damaged property from the May 2004 flood event, the insurer cannot state with any level of certainty what was paid because there is no longer any evidence of the prior flood loss investigation. The insurer is held to a higher standard in documenting their actions.

Considering the insurer's inability to substantiate their claim, the insurer cannot place the undue burden of compelling the policyholder to prove the loss if the insurer cannot provide proof of the damages for which they paid. To that extent, FEMA overturns the insurer's denial and directs the insurer extend payment for the previously denied items of building property damaged in the current flood event.

CONCLUSION

Based on the facts and analysis above, FEMA overturns the insurer's decision to deny payment of selected building property.

³ See SFIP (VII)(K)(2).